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Message Text

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PAGE 01 ANKARA 04078 261058Z
ACTION XMB-04

INFO OCT-01 EUR-12 NEA-10 ISO-00 EB-07 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
OPIC-03 SP-02 EPG-02 OMB-01 /063 W
----------262144Z 052873 /65
R 261008Z MAY 77
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC 7646
INFO AMEMBASSY TEHRAN
AMCONSUL ADANA
AMCONSUL ISTANBUL

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STATE PASS EXIMBANK

E.O. 11652: N/A
TAGS: EFIN, BENC, TU
SUBJECT: KARAKAYA HYDROPOWER PROJECT

REF: (A) ANKARA 3804, (B) STATE 110228, (C) BAGHDAD 856

1. WE UNDERSTAND FROM TURKISH MINISTRY OF FINANCE THAT AYGUN HAS RESPONDED TO EXIM CABLE OF 16 MAY ADVISING OF EXIM INTENTION TO OFFER PRELIMINARY COMMITMENT TO WESTINGHOUSE FOR $36 MILLION LOAN AND GUARANTEE TO FINANCE GENERATORS FOR THIS PROJECT. MINFIN HAS TOLD US MOST IT COULD DO IS TAKE NOTE OF EXIM PROPOSAL AS DECISION ALREADY MADE TO CONSIDER ONLY SWISS, BELGIAN AND CANADIAN PACKAGES, AND WESTINGHOUSE PARTICIPATION WOULD HAVE TO BE AS PART OF PACKAGE TO BE PRESENTED BY BELGIANS, INCLUDING FINANCING. WE HAVE ALSO BEEN CONTACTED, THROUGH BELGIAN EMBASSY HERE, BY MIDDLE EAST SALES DIRECTOR HASSIB OF ACEC (FIRM WHICH WOULD LEAD BELGIAN CONSORTIUM), WHO ASKED OUR ADVICE AS TO HOW TO PROCEED TO MEET VERY STRONG SWISS COMPETITION FOR THIS CONTRACT.
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2. WE URGED HASSIB TO ADVISE HIS PRINCIPALS IN BELGIUM WITHOUT DELAY TO WORK OUT DETAILS OF COMPLETE PACKAGE WITH WESTINGHOUSE USA MANAGEMENT FOR PRESENTATION TO TURKS AFTER REPEAT AFTER THOROUGH VETTING AND APPROVAL BY EXIM. WE EMPHASIZED THAT SUCH A PACKAGE COULD NOT BE PUT TOGETHER IN ANKARA AND THAT CONSIDERABLE CONFUSION WAS DEVELOPING

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BECAUSE OF APPARENT LACK OF COORDINATION ON FINANCIAL ASPECTS
OF PACKAGE AMONG ACEC, WESTINGHOUSE, AND EXIM BANK.
FURTHER DELAYS IN PUTTING COMPLETE PACKAGE TOGETHER IN FORM
ACCEPTABLE AND UNDERSTANDABLE TO TURKS CAN ONLY REDOUND TO
BENEFIT OF SWISS, WHO REPORTEDLY HAVE SUCH A PAKCAGE READY
TO GO.

3. COMMENT: ASSUMING DEPARTMENT AND EXIM STILL
CONSIDER PARTICIPATION IN KARAKAYA TO BE IN U.S. INTEREST
IN LIGHT OF REF (C), WE STRONGLY BELIEVE BETTER COORDINATED
APPROACH TO BE ESSENTIAL IF WESTINGHOUSE-ACEC OFFER
IS TO STAND ANY CHANCE OF ACCEPTANCE. HOWEVER EAGER TURKS MAY
BE TO HAVE AMERICAN EQUIPMENT IN PROJECT, HARASSED
MINISTRY OF FINANCE IS LIKELY TO FAVOR MOST STRAIGHTFORWARD
OFFER OF CREDIT IN ITS EVALUATION OF PROPOSALS, WHICH WILL BE
DETERMINING.

4. ACTION: REQUEST TEHRAN PASS SUBSTANCE PARAS ONE AND
TWO TO WESTINGHOUSE TEHRAN REP HARRY BRADY.
MACOMBER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: CONSTRUCTION, DEVELOPMENT PROGRAMS, HYDROELECTRIC POWER PLANTS, LOANS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 26-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
Disposition Event:
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Format: TEL
From: ANKARA
Handling Restrictions: n/a
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ISecure: 1
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